

## Message Text

CONFIDENTIAL

PAGE 01 LA PAZ 02138 252144Z

72

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 EB-07

COME-00 MC-02 ACDA-05 OMB-01 TRSE-00 IO-10 /080 W

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P 252125Z MAR 75

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 6109

C O N F I D E N T I A L LA PAZ 2138

E.O. 11652: N/A

TAGS: PINT PFOR BL

SUBJECT: MEETING WITH AMBASSADOR ROBERTO CAPRILES

1. AMBASSADOR CAPRILES CALLED ON ME DURING THE MORNING OF MARCH 25 FOR A VERY PRODUCTIVE, HOUR-LONG REVIEW OF CURRENT PROBLEMS IN US-BOLIVIAN RELATIONS. HE NOTED AT SEVERAL POINTS IN THE CONVERSATION THE EXCELLENT COOPERATION WHICH HE HAS RECEIVED TO DATE FROM ALL OFFICERS WITH WHOM HE HAS DEALT IN THE DEPT OF STATE, ESPECIALLY ARA/BC COUNTRY DIRECTOR KARKASHIAN AND BOLIVIAN DESK OFFICER COTTER.

2. CAPRILES EXPRESSED HIS AWARENESS OF BOLIVIA'S GROWING IMAGE PROBLEM IN THE US, EXPRESSING THE VIEW THAT THIS PROBLEM WILL PROBABLY GROW WORSE IN COMING MONTHS. HE ATTRIBUTED THIS DIFFICULTY, IN PART, TO SUCH INACCURATE REPORTS AS THE GAO STUDY ON US MILITARY ASSISTANCE TO BOLIVIA, WHICH HE REGARDS AS A VERY INCOMPLETE AND POSSIBLY BIASED PIECE OF INVESTIGATION.

3. WITH REGARD TO THE SETTLEMENT OF OUTSTANDING INVESTMENT DISPUTES BETWEEN THE US AND BOLIVIA, CAPRILES DEMONSTRATED A FULL AWARENESS OF THE THREE CONTINUING PROBLEMS WITH US INVESTORS AND A DESIRE TO WORK TOWARD THE RESOLUTION OF THESE CASES. AS AN EARNEST OF HIS GOOD INTENTIONS, HE CALLED THE MINISTER OF INDUSTRY AND COMMERCE IN MY PRESENCE TO ASK THE MINISTER TO RECEIVE MR. MORAN, THE LAWYER FOR THE APPELATE-YOUNGQUIST

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PAGE 02 LA PAZ 02138 252144Z

INTERESTS, WHEN MORAN VISITS BOLIVIA.

4. CAPRILES IS ALSO WELL INFORMED ON THE STATUS OF BOLIVIA'S FY 1975 FMS CREDITS, HE NOTED THE "LACK OF COORDINATION" WITHIN THE GOB ON THIS ISSUE, WHICH HAS CAUSED US TO RECEIVE SEPARATE REQUESTS IN RECENT WEEKS FROM THE BOLIVIAN ARMY, AIR FORCE AND MINISTRY OF DEFENSE FOR THE USE OF THESE CREDITS. AMBASSADOR CAPRILES HAD JUST COME FROM A MEETING WITH PRESIDENT BANZER, AND WAS ABLE TO ASSURE ME THAT BANZER HIMSELF HAS DECIDED TO USE THE FIRST \$4 MILLION OF THIS YEAR'S CREDITS FOR THE PURCHASE OF ARMAMENT FOR THE ARMY. ARMY FMS CREDIT BEYOND THIS WILL BE DIRECTED BY THE PRESIDENT FOR HOSPITAL EQUIPMENT FOR THE MILITARY HOSPITAL, ACCORDING TO CAPRILES.

5. CAPRILES SAID THAT THE IDB WILL SEND A REPRESENTATIVE TO LA PAZ TO STUDY THE FACILITIES FOR HOLDING THE ANNUAL MEETING OF THE BOARD OF GOVERNORS IN 1976 OR IN 1977.

6. CAPRILES FORESHADOWED RECEIPT OF A NOTE FROM THE FOREIGN MINISTER ON RUMORED SALES OF TIN BY GSA. SEPTEL FOLLOWS ON THIS.

7. I MENTIONED TO HIM THAT BOLIVIA WAS INCLUDED ON THE LIST OF COUNTRIES WITH INVESTMENT DISPUTES (SEE STATE 66492). HE RESPONDED THAT HE HAD ALREADY BEEN AWARE OF THIS AND THAT IN PART MOTIVATED HIM TO PURSUE EFFORTS TO RESOLVE THESE PROBLEMS.

8. CAPRILES MENTIONED THAT HE WOULD BE CALLING ARA/BC UPON HIS RETURN TO WASHINGTON ON MARCH 26.  
STEDMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, DIPLOMATIC DISCUSSIONS, MILITARY CREDIT  
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**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
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**TAGS:** PINT, PFOR, EINV, MASS, BL, US, (CAPRILES, ROBERTO)  
**To:** STATE  
**Type:** TE  
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